

ASSEMBLY BILL

No. 1057

**Introduced by Assembly Member Beall
(Principal coauthor: Assembly Member Galgiani)**

February 27, 2009

An act to amend Sections 10830, 11020, 11450, 11450.12, 11450.13, and 11451.5 of, to add Section 18900.11 to, and to repeal and add Sections 11004.1, 11265.1, 11265.2, 11265.3, and 18910 of, the Welfare and Institutions Code, relating to public social services.

LEGISLATIVE COUNSEL'S DIGEST

AB 1057, as introduced, Beall. CalWORKs and Food Stamp Program: reporting.

(1) Existing law requires each county to provide cash assistance and other social services to needy families through the California Work Opportunity and Responsibility to Kids (CalWORKs) program using federal Temporary Assistance to Needy Families (TANF) block grant program, state, and county funds. Under existing law, the county is required to annually redetermine eligibility for CalWORKs benefits. Existing law additionally requires the county to implement a recipient monthly reporting system, consistent with federal law until the Director of Social Services makes a specified declaration, at which time the county would be required to redetermine recipient eligibility and grant amounts on a quarterly basis, using prospective budgeting, and to prospectively determine the grant amount that a recipient is entitled to receive for each month of the quarterly reporting period. Under existing law, a CalWORKs recipient is required to report to the county, orally or in writing, specified changes that could affect the amount of aid to which the recipient is entitled. Under existing law, the CalWORKs

quarterly reporting system is also implemented by the State Department of Social Services in administering the federal Food Stamp Program.

This bill would repeal the requirements relating to quarterly redetermination and prospective determination grant amounts, and would, instead, impose similar requirements for a semiannual redetermination, operative July 1, 2010, to be implemented no later than January 1, 2011, except as prescribed. The bill would also require the department to establish an income reporting threshold for CalWORKs recipients, as specified. The bill would make various related conforming changes, including revising provisions relating to the collection of CalWORKs grant overpayments. The bill would authorize counties to adopt staggered semiannual reporting requirements, as specified. The bill would authorize the department to implement the semiannual reporting provisions through all-county letters until the adoption of implementing regulations, as prescribed.

This bill, to the extent permitted by federal law, would require the department to streamline the Food Stamp Program verification process at application by seeking to utilize information provided by applicants to other state agencies, including, but not limited to, the Department of Motor Vehicles.

(2) Existing law requires the State Department of Social Services and the California Health and Human Services Agency Data Center to design, implement, and maintain a statewide fingerprint imaging system for use in connection with the determination of eligibility for benefits under the CalWORKs program, excluding the Aid to Families with Dependent Children-Foster Care program, and the Food Stamp Program. Existing law, with specified exceptions, requires applicants for, and recipients of, CalWORKs and Food Stamp Program benefits, as a condition of eligibility, to be fingerprint imaged, pursuant to the statewide fingerprint imaging system.

This bill would, instead, require the department and the Office of Systems Integration to design, implement, and maintain the system. The bill would require the fingerprint imaging system to apply to use under the Food Stamp Program only to the extent the applicants for, or recipients of, food stamps also apply for or receive designated nonhealth benefits associated with county aid and relief to indigents.

(3) Existing law continuously appropriates moneys from the General Fund to defray a portion of county costs under the CalWORKs program.

This bill would, instead, provide that the continuous appropriation would not be made for purposes of implementing the bill.

(4) To the extent that the bill would expand eligibility for CalWORKs and food stamp benefits, the bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:
3 (a) In tough times, the Food Stamp Program not only provides
4 nutrition benefits to families but also provides a needed economic
5 stimulus.
6 (b) According to the United States Department of Agriculture,
7 every one dollar (\$1) in food stamp benefits generates one dollar
8 and seventy-four cents (\$1.74) economic activity.
9 (c) Since food stamp benefits are paid for 100 percent by the
10 federal government, increasing food stamp participation greatly
11 increases the flow of federal funds into the state.
12 (d) The Legislative Analyst's Office has also found that
13 increasing food stamp participation can also generate General Fund
14 revenues, as recipients spend freed-up resources on taxable items
15 such as clothes and shoes.
16 (e) Streamlining and modernizing food stamp administration
17 could help increase participation and generate these economic
18 benefits.
19 (f) Other states have already taken steps to reform their food
20 stamp verification processes by using data provided by other
21 government agencies, such as the Department of Motor Vehicles.
22 This action could remove duplication and streamline the
23 verification process for applicants and administrators.
24 (g) Forty-eight other states have moved to simplified reporting
25 for food stamps. This action has reduced paperwork burdens for

1 participants and administrators, has reduced errors in the program,
2 and improved access.

3 SEC. 2. Section 10830 of the Welfare and Institutions Code,
4 as amended by Section 241 of Chapter 179 of the Statutes of 2008,
5 is amended to read:

6 10830. (a) The department and the ~~Health and Welfare Data~~
7 ~~Center~~ *Office of Systems Integration* shall design, implement, and
8 maintain a statewide fingerprint imaging system for use in
9 connection with the determination of eligibility for benefits under
10 the California Work Opportunity and Responsibility to Kids Act
11 (CalWORKs) program under Chapter 2 (commencing with Section
12 11200) of Part 3 excluding Aid to Families with Dependent
13 Children-Foster Care (AFDC-FC), and the Food Stamp Program
14 under Chapter 10 (commencing with Section 18900) of Part 6, *to*
15 *the extent that applicants for, or recipients of, food stamp benefits*
16 *also apply for or receive nonhealth benefits under Part 5*
17 *(commencing with Section 17000).*

18 (b) (1) Every applicant for, or recipient of, aid under Chapter
19 2 (commencing with Section 11200) of Part 3, excluding the
20 AFDC-FC program and *every applicant for, or recipient of, aid*
21 *under Chapter 10 (commencing with Section 18900) of Part 6,*
22 *who is also an applicant for, or recipient of, nonhealth benefits*
23 *under Part 5 (commencing with Section 17000),* other than
24 dependent children or persons who are physically unable to be
25 fingerprint imaged, shall, as a condition of eligibility for assistance,
26 be required to be fingerprint imaged.

27 (2) A person subject to paragraph (1) shall not be eligible for
28 the CalWORKs program ~~or the Food Stamp Program~~ until
29 fingerprint images are provided, except as provided in subdivision
30 (e). Ineligibility may extend to an entire case of a person who
31 refuses to provide fingerprint images.

32 (c) The department may adopt emergency regulations to
33 implement this section specifying the statewide fingerprint imaging
34 requirements and exemptions to the requirements in accordance
35 with the Administrative Procedure Act (Chapter 3.5 (commencing
36 with Section 11340) of Part 1 of Division 3 of Title 2 of the
37 Government Code). The initial adoption of any emergency
38 regulations implementing this section, as added during the 1996
39 portion of the 1995–96 Regular Session, shall be deemed to be an
40 emergency and necessary for the immediate preservation of the

1 public peace, health and safety, or general welfare. Emergency
2 regulations adopted pursuant to this subdivision shall remain in
3 effect for no more than 180 days.

4 (d) Persons required to be fingerprint imaged pursuant to this
5 section shall be informed that fingerprint images obtained pursuant
6 to this section shall be used only for the purpose of verifying
7 eligibility and preventing multiple enrollments in the CalWORKs
8 program ~~or the Food Stamp Program~~. The department, county
9 welfare agencies, and all others shall not use or disclose the data
10 collected and maintained for any purpose other than the prevention
11 or prosecution of fraud. Fingerprint imaging information obtained
12 pursuant to this section shall be confidential under Section 10850.

13 (e) (1) Except as provided in paragraph (2), the fingerprint
14 imaging required under this chapter shall be scheduled only during
15 the application appointment or other regularly scheduled
16 appointments. No other special appointment shall be required. No
17 otherwise eligible individual shall be ineligible to receive benefits
18 under this chapter due to a technical problem occurring in the
19 fingerprint imaging system or as long as the person consents to
20 and is available for fingerprint imaging at a mutually agreed-upon
21 time, not later than 60 days from the initial attempt to complete
22 fingerprint imaging.

23 (2) During the first nine months following implementation,
24 recipients may be scheduled for separate appointments to complete
25 the fingerprint imaging required by this section. Notice shall be
26 mailed first class by the department to recipients at least 10 days
27 prior to the appointment, and shall include procedures for the
28 recipient to reschedule the scheduled appointment within 30 days.

29 (f) If the fingerprint image of an applicant or recipient of aid to
30 which this section applies matches another fingerprint image on
31 file, the county shall notify the applicant or recipient. In the event
32 that a match is appealed, the fingerprint image match shall be
33 verified by a trained individual and any matching case files
34 reviewed prior to the denial of benefits. Upon confirmation that
35 the applicant or recipient is receiving or attempting to receive
36 multiple CalWORKs program checks, a county fraud investigator
37 shall be notified.

38 SEC. 3. Section 11004.1 of the Welfare and Institutions Code
39 is repealed.

1 ~~11004.1. (a) In addition to Section 11004, this section shall~~
2 ~~apply to the CalWORKs program.~~

3 ~~(b) The amount of any CalWORKs grant overpayment shall be~~
4 ~~the difference between the grant amount the assistance unit actually~~
5 ~~received and the grant amount the assistance unit would have~~
6 ~~received under the quarterly reporting, prospective budgeting~~
7 ~~system if no county error had occurred or if the recipient had~~
8 ~~timely, completely, and accurately reported as required under~~
9 ~~Sections 11265.1 and 11265.3. No overpayment shall be~~
10 ~~established based on any differences between the amount of income~~
11 ~~the county reasonably anticipated the recipient would receive~~
12 ~~during the quarterly reporting period and the income the recipient~~
13 ~~actually received during that period, provided the recipient's report~~
14 ~~was complete and accurate.~~

15 ~~(c) No CalWORKs grant underpayment shall be established~~
16 ~~based on any differences between the amount of income the county~~
17 ~~reasonably anticipated the recipient would receive during the~~
18 ~~quarterly reporting period and the income the recipient actually~~
19 ~~received during that period.~~

20 SEC. 4. Section 11004.1 is added to the Welfare and
21 Institutions Code, to read:

22 11004.1. (a) In addition to Section 11004, this section shall
23 apply to the CalWORKs program.

24 (b) The amount of any CalWORKs grant overpayment shall be
25 the difference between the grant amount the assistance unit actually
26 received and the grant amount the assistance unit would have
27 received under the semiannual reporting, prospective budgeting
28 system if no county error had occurred and if the recipient had
29 timely, completely, and accurately reported as required under
30 Sections 11265.1 and 11265.3. No overpayment shall be
31 established based on any differences between the amount of income
32 the county prospectively determined for the recipient for the
33 semiannual reporting period and the income the recipient actually
34 received during that period, provided the recipient's report was
35 complete and accurate.

36 (c) No CalWORKs grant underpayment shall be established
37 based on any differences between the amount of income the county
38 prospectively determined for the recipient for the semiannual
39 reporting period and the income the recipient actually received
40 during that period.

SEC. 5. Section 11020 of the Welfare and Institutions Code, as amended by Section 26 of Chapter 1022 of the Statutes of 2002, is amended to read:

11020. (a) Where a recipient under a categorical aid program other than CalWORKs has received aid in good faith but in fact owned excess property, he or she shall be considered to have been ineligible for aid during the period for which any excess property would have supported him or her at the rate of the aid granted to him or her. ~~In such case~~ *Under these circumstances*, the recipient or his *or her* estate shall repay the aid he *or she* received during this period of ineligibility.

(b) With respect to recipients under Chapter 3 (commencing with Section 12000) of this part, overpayments shall be collected by the federal government pursuant to federal law.

(c) Where a CalWORKs recipient has received aid in good faith, but in fact owned excess property, the recipient shall have an overpayment equal to the lesser of the amount of the excess property or the aid received during the period the recipient owned the excess property and the grant was not accurately determined under the ~~quarterly reporting~~ *semiannual reporting*, prospective budgeting system due to the excess property.

SEC. 6. Section 11265.1 of the Welfare and Institutions Code, as amended by Section 1 of Chapter 826 of the Statutes of 1999, is repealed.

~~11265.1. (a) Except as provided in Section 11265.5, in addition to the requirement for the annual redetermination of eligibility, the department shall establish regulations consistent with federal law to implement a recipient monthly reporting system for use in determining monthly eligibility and the amount of the grant. The department shall define what constitutes a complete report and shall specify the deadlines for submitting a complete report, as well as the consequences of, and good cause for, failure to submit a complete report. The department shall adopt fair and equitable regulations implementing the monthly reporting requirement.~~

~~(b) This section shall become inoperative on the date that the director executes a declaration stating that Section 11265.2, as added by the act adding this subdivision, is fully implemented statewide, and shall be repealed on January 1 of the year following the year in which it becomes inoperative.~~

1 SEC. 7. Section 11265.1 of the Welfare and Institutions Code,
2 as added by Section 30 of Chapter 1022 of the Statutes of 2002,
3 is repealed.

4 ~~11265.1. (a) In addition to the requirement for an annual~~
5 ~~redetermination of eligibility, counties shall redetermine recipient~~
6 ~~eligibility and grant amounts on a quarterly basis using prospective~~
7 ~~budgeting. Counties shall use the information reported on a~~
8 ~~recipient's quarterly report form to prospectively determine~~
9 ~~eligibility and grant amount for the following quarterly reporting~~
10 ~~period.~~

11 ~~(b) A quarterly reporting period shall be three consecutive~~
12 ~~calendar months. The recipient shall submit one quarterly report~~
13 ~~form for each quarterly reporting period. Counties shall provide a~~
14 ~~quarterly report form to recipients at the end of the second month~~
15 ~~of the quarterly reporting period, and recipients shall return the~~
16 ~~completed quarterly report form with required verification to the~~
17 ~~county by the 11th day of the third month of the quarterly reporting~~
18 ~~period.~~

19 ~~(c) Counties may establish staggered quarterly reporting cycles~~
20 ~~based on factors established or approved by the department,~~
21 ~~including, but not limited to, application date or case number.~~

22 ~~(d) The quarterly report form shall be signed under penalty of~~
23 ~~perjury, and shall include only information necessary to determine~~
24 ~~CalWORKs and food stamp eligibility and calculate the~~
25 ~~CalWORKs grant amount and food stamp allotment, as specified~~
26 ~~by the department. The form shall be as comprehensible as possible~~
27 ~~for recipients and shall require recipients to provide the following:~~

28 ~~(1) Information about income received during the second month~~
29 ~~of the quarterly reporting period.~~

30 ~~(2) Information about income that the recipient anticipates~~
31 ~~receiving during the following quarterly reporting period.~~

32 ~~(3) Any other changes to facts required to be reported, together~~
33 ~~with any changes to those facts that the recipient anticipates will~~
34 ~~occur. The recipient shall provide verification as specified by the~~
35 ~~department with the quarterly report form.~~

36 ~~(e) A quarterly report form shall be considered complete if the~~
37 ~~following requirements, as specified by the department, are met:~~

38 ~~(1) The form is signed no earlier than the first day of the third~~
39 ~~month of the quarterly reporting period by the persons specified~~
40 ~~by the department.~~

1 ~~(2) All questions and items pertaining to CalWORKs and food~~
2 ~~stamp eligibility and grant amount are answered.~~

3 ~~(3) Verification required by the department is provided.~~

4 ~~(f) If a recipient fails to submit a complete quarterly report form,~~
5 ~~as defined in subdivision (e), by the 11th day of the third month~~
6 ~~of the quarterly reporting period, the county shall provide the~~
7 ~~recipient with a notice that the county will terminate benefits at~~
8 ~~the end of the month. Prior to terminating benefits, the county shall~~
9 ~~attempt to make personal contact to remind the recipient that a~~
10 ~~completed report is due, or, if contact is not made, shall send a~~
11 ~~reminder notice to the recipient no later than five days prior to the~~
12 ~~end of the month. Any discontinuance notice shall be rescinded if~~
13 ~~a complete report is received by the first working day of the first~~
14 ~~month of the following quarterly reporting period.~~

15 ~~(g) The county may determine, at any time prior to the last day~~
16 ~~of the calendar month following discontinuance for nonsubmission~~
17 ~~of a quarterly report form, that a recipient had good cause for~~
18 ~~failing to submit a complete quarterly report form, as defined in~~
19 ~~subdivision (e), by the first working day of the month following~~
20 ~~discontinuance. If the county finds a recipient had good cause, as~~
21 ~~defined by the department, it shall rescind the discontinuance~~
22 ~~notice. Good cause exists only when the recipient cannot~~
23 ~~reasonably be expected to fulfill his or her reporting responsibilities~~
24 ~~due to factors outside of the recipient's control.~~

25 SEC. 8. Section 11265.1 is added to the Welfare and
26 Institutions Code, to read:

27 11265.1. (a) In addition to the requirement for an annual
28 redetermination of eligibility, counties shall redetermine recipient
29 eligibility and grant amounts on a semiannual basis in a prospective
30 manner, using reasonably anticipated income consistent with
31 Section 5 of the federal Food Stamp Act (7 U.S.C. Sec.
32 2014(f)(3)(A)), implementing regulations, and any waivers
33 obtained by the department pursuant to subdivision (g) of Section
34 11265.2. Counties shall use the information reported on a
35 recipient's semiannual report form to prospectively determine
36 eligibility and grant amount for the following semiannual reporting
37 period.

38 (b) A semiannual reporting period shall be six consecutive
39 calendar months. The recipient shall submit one semiannual report
40 form for each semiannual reporting period. Counties shall provide

1 a semiannual report form to recipients at the end of the fifth month
2 of the semiannual reporting period, and recipients shall return the
3 completed semiannual report form with required verification to
4 the county by the 11th day of the sixth month of the semiannual
5 reporting period.

6 (c) The semiannual report form shall be signed under penalty
7 of perjury, and shall include only the information necessary to
8 determine CalWORKs and food stamp eligibility and calculate the
9 CalWORKs grant amount and food stamp allotment, as specified
10 by the department. The form shall be as comprehensible as possible
11 for recipients and shall require recipients to provide the following:

12 (1) Information about income received during the fifth month
13 of the semiannual reporting period.

14 (2) Any other changes to facts required to be reported. The
15 recipient shall provide verification as specified by the department
16 with the semiannual report form.

17 (d) A semiannual report form shall be considered complete if
18 the following requirements, as specified by the department, are
19 met:

20 (1) The form is signed no earlier than the first day of the sixth
21 month of the semiannual reporting period by the persons specified
22 by the department.

23 (2) All questions and items pertaining to CalWORKs and food
24 stamp eligibility and grant amount are answered.

25 (3) Verification required by the department is provided.

26 (e) If a recipient fails to submit a complete semiannual report
27 form, as defined in subdivision (d), by the 11th day of the sixth
28 month of the semiannual reporting period, the county shall provide
29 the recipient with a notice that the county will terminate benefits
30 at the end of the month. Prior to terminating benefits, the county
31 shall attempt to make personal contact to remind the recipient that
32 a completed report is due, or, if contact is not made, shall send a
33 reminder notice to the recipient no later than five days prior to the
34 end of the month. Any discontinuance notice shall be rescinded if
35 a complete report is received by the first working day of the first
36 month of the following semiannual reporting period.

37 (f) The county may determine, at any time prior to the last day
38 of the calendar month following discontinuance for nonsubmission
39 of a semiannual report form, that a recipient had good cause for
40 failing to submit a complete semiannual report form, as defined

1 in subdivision (d), by the first working day of the month following
2 discontinuance. If the county finds a recipient had good cause, as
3 defined by the department, it shall rescind the discontinuance
4 notice. Good cause exists only when the recipient cannot
5 reasonably be expected to fulfill his or her reporting responsibilities
6 due to factors outside of the recipient's control.

7 (g) Any projected administrative savings associated with the
8 implementation of the semiannual, prospective budgeting
9 requirements in this chapter shall be calculated in relation to the
10 actual costs to counties of administering the Food Stamp Program.
11 There shall be no reduction in county administrative funding
12 associated with the calculated savings, except to the extent that
13 the projected county administrative savings associated with the
14 implementation of this section exceed any underfunding of the
15 actual costs to counties. Any savings that are assumed shall be
16 reconciled against actual data collected through a survey of a
17 representative sample of counties.

18 (h) Counties may establish staggered semiannual reporting
19 cycles for individual recipients, based on factors established or
20 approved by the department, including, but not limited to,
21 application date or case number. If a county elects to stagger the
22 reporting periods for individuals, this section shall apply to an
23 individual recipient on the first day of the month assigned to the
24 recipient, but in no event later than July 1, 2011. Up to and until
25 the establishment of a semiannual system, counties shall operate
26 a quarterly system, as established by law and regulation applicable
27 immediately prior to the establishment of the semiannual reporting
28 system.

29 SEC. 9. Section 11265.2 of the Welfare and Institutions Code
30 is repealed.

31 ~~11265.2. (a) The grant amount a recipient shall be entitled to~~
32 ~~receive for each month of the quarterly reporting period shall be~~
33 ~~prospectively determined as provided by this section. If a recipient~~
34 ~~reports that he or she does not anticipate any changes in income~~
35 ~~during the upcoming quarter, compared to the income the recipient~~
36 ~~reported actually receiving on the quarterly report form, the grant~~
37 ~~shall be calculated using the actual income received. If a recipient~~
38 ~~reports that he or she anticipates a change in income in one or more~~
39 ~~months of the upcoming quarter, the county shall determine~~
40 ~~whether the recipient's income is reasonably anticipated. The grant~~

1 shall be calculated using the income that the county determines is
2 reasonably anticipated in each of the three months of the upcoming
3 quarter.

4 (b) For the purposes of the quarterly reporting, prospective
5 budgeting system, income shall be considered to be “reasonably
6 anticipated” if the county is reasonably certain of the amount of
7 income and that the income will be received during the quarterly
8 reporting period. The county shall determine what income is
9 “reasonably anticipated” based on information provided by the
10 recipient and any other available information.

11 (c) If a recipient reports that their income in the upcoming
12 quarter will be different each month and the county needs
13 additional information to determine a recipient’s reasonably
14 anticipated income for the following quarter, the county may
15 require the recipient to provide information about income for each
16 month of the prior quarter.

17 (d) Grant calculations pursuant to subdivision (a) may not be
18 revised to adjust the grant amount during the quarterly reporting
19 period, except as provided in Section 11265.3 and subdivisions
20 (e), (f), (g), and (h), and as otherwise established by the department.

21 (e) Notwithstanding subdivision (d), statutes and regulations
22 relating to (1) the 60-month time limit, (2) age limitations for
23 children under Section 11253, and (3) sanctions and financial
24 penalties affecting eligibility or grant amount shall be applicable
25 as provided in such statutes and regulations. Eligibility and grant
26 amount shall be adjusted during the quarterly reporting period
27 pursuant to such statutes and regulations effective with the first
28 monthly grant after timely and adequate notice is provided.

29 (f) Notwithstanding Section 11056, if an applicant applies for
30 assistance for a child who is currently aided in another assistance
31 unit, and the county determines that the applicant has care and
32 control of the child, as specified by the department, and is
33 otherwise eligible, the county shall discontinue aid to the child in
34 the existing assistance unit and shall aid the child in the applicant’s
35 assistance unit effective as of the first of the month following the
36 discontinuance of the child from the existing assistance unit.

37 (g) If the county is notified that a child for whom CalWORKs
38 assistance is currently being paid has been placed in a foster care
39 home, the county shall discontinue aid to the child at the end of

1 ~~the month of placement. The county shall discontinue the case if~~
2 ~~the remaining assistance unit members are not otherwise eligible.~~

3 ~~(h) If the county determines that a recipient is no longer a~~
4 ~~California resident, pursuant to Section 11100, the recipient shall~~
5 ~~be discontinued. The county shall discontinue the case if the~~
6 ~~remaining assistance unit members are not otherwise eligible.~~

7 SEC. 10. Section 11265.2 is added to the Welfare and
8 Institutions Code, to read:

9 11265.2. (a) The grant amount a recipient shall be entitled to
10 receive for each month of the semiannual reporting period shall
11 be prospectively determined, using reasonably anticipated income,
12 and calculated in a manner consistent with Section 5 of the federal
13 Food Stamp Act (7 U.S.C. Sec. 2014(f)(3)(A)), implementing
14 regulations, and any waivers obtained by the department pursuant
15 to subdivision (g).

16 (b) Grant calculations pursuant to subdivision (a) shall not be
17 revised to adjust the grant amount during the semiannual reporting
18 period, except as provided in Section 11265.3 and subdivisions
19 (c), (d), (e), and (f), and as otherwise established by the department.

20 (c) Notwithstanding subdivision (b), statutes and regulations
21 relating to the 60-month time limit, age limitations for children
22 under Section 11253, and sanctions and financial penalties affecting
23 eligibility or grant amount shall be applicable as provided in those
24 statutes and regulations. Eligibility and grant amount shall be
25 adjusted during the semiannual reporting period pursuant to those
26 statutes and regulations effective with the first monthly grant after
27 timely and adequate notice is provided.

28 (d) Notwithstanding Section 11056, if an applicant applies for
29 assistance for a child who is currently aided in another assistance
30 unit, and the county determines that the applicant has care and
31 control of the child, as specified by the department, and is
32 otherwise eligible, the county shall discontinue aid to the child in
33 the existing assistance unit and shall aid the child in the applicant's
34 assistance unit effective as of the first of the month following the
35 discontinuance of the child from the existing assistance unit.

36 (e) If the county is notified that a child for whom CalWORKs
37 assistance is currently being paid has been placed in a foster care
38 home, the county shall discontinue aid to the child at the end of
39 the month of placement. The county shall discontinue the case if
40 the remaining assistance unit members are not otherwise eligible.

1 (f) If the county determines that a recipient is no longer a
2 California resident, pursuant to Section 11100, the recipient shall
3 be discontinued. The county shall discontinue the case if the
4 remaining assistance unit members are not otherwise eligible.

5 (g) The department shall take all necessary steps to implement
6 this section in the simplest manner possible for both county human
7 services departments and recipients of aid under this chapter,
8 including, but not limited to, exploring the feasibility of
9 accumulating reported changes, acting on changes once per month
10 rather than multiple times, and whether additional flexibility is
11 available under federal food stamp rules to simplify the
12 consideration of reasonably anticipated income when setting grant
13 levels for the upcoming semiannual reporting period.

14 SEC. 11. Section 11265.3 of the Welfare and Institutions Code
15 is repealed.

16 ~~11265.3. (a) In addition to submitting the quarterly report form~~
17 ~~as required in Section 11265.1, during the quarterly reporting~~
18 ~~period, a recipient shall report the following changes to the county~~
19 ~~orally or in writing, within 10 days of the change:~~

20 ~~(1) The receipt at any time during a quarterly reporting period~~
21 ~~of income, as provided by the department, in an amount that is~~
22 ~~likely to render the recipient ineligible, as provided by the~~
23 ~~department.~~

24 ~~(2) The occurrence at any time during a quarterly reporting~~
25 ~~period of a drug felony conviction as specified in Section 11251.3.~~

26 ~~(3) The occurrence, at any time during a quarterly reporting~~
27 ~~period, of an individual fleeing prosecution or custody or~~
28 ~~confinement, or violating a condition of probation or parole as~~
29 ~~specified in Section 11486.5.~~

30 ~~(b) Counties shall inform each recipient of the duty to report~~
31 ~~under paragraph (1) of subdivision (a), the consequences of failing~~
32 ~~to report, and the amount of income likely to render the family~~
33 ~~ineligible for benefits no less frequently than once per quarter.~~

34 ~~(c) When a recipient reports income pursuant to paragraph (1)~~
35 ~~of subdivision (a) the county shall redetermine eligibility and grant~~
36 ~~amounts as follows:~~

37 ~~(1) If the recipient reports a change for the first or second month~~
38 ~~of a current quarterly reporting period, the county shall verify the~~
39 ~~report and determine if the recipient is financially ineligible. If the~~
40 ~~recipient is determined to be financially ineligible based on this~~

1 income, the county shall discontinue the recipient after timely and
2 adequate notice in accordance with rules applicable to the federal
3 Food Stamp program.

4 (2) If the recipient reports a change for the third month of a
5 current quarterly reporting period, the county shall not redetermine
6 eligibility for the current quarterly reporting period, but shall
7 redetermine eligibility and grant amount for the following quarterly
8 reporting period as provided in Section 11265.2.

9 (d) (1) During the quarterly reporting period, a recipient may
10 report to the county, orally or in writing, any changes in income
11 or household circumstances that may increase the recipient's grant.

12 (2) Counties shall act upon changes in income reported during
13 the quarterly reporting period that result in an increase in benefits,
14 after verification specified by the department is received. Reported
15 changes in income that increase the grant shall be effective for the
16 entire month in which the change is reported. If the reported change
17 in income results in an increase in benefits, the county shall issue
18 the increased benefit amount within 10 days of receiving required
19 verification.

20 (3) (A) When a decrease in gross monthly income is voluntarily
21 reported and verified, the county shall redetermine the grant for
22 the current month and any remaining months in the quarterly
23 reporting period by averaging the actual gross monthly income
24 reported and verified from the voluntary report for the current
25 month and the gross monthly income that is reasonably anticipated
26 for any future month remaining in the quarterly reporting period.

27 (B) When the average is determined pursuant to subparagraph
28 (A), and a grant amount is calculated based upon the averaged
29 income, if the grant amount is higher than the grant currently in
30 effect, the county shall revise the grant for the current month and
31 any remaining months in the quarter to the higher amount and shall
32 issue any increased benefit amount as provided in paragraph (2).

33 (4) Except as provided in subdivision (e), counties shall act only
34 upon changes in household composition voluntarily reported by
35 the recipients during the quarterly reporting period that result in
36 an increase in benefits, after verification specified by the
37 department is received. If the reported change in household
38 composition is for the first or second month of the quarterly
39 reporting period and results in an increase in benefits, the county
40 shall redetermine the grant effective for the month following the

1 month in which the change was reported. If the reported change
2 in household composition is for the third month of a quarterly
3 reporting period, the county shall not redetermine the grant for the
4 current quarterly reporting period, but shall redetermine the grant
5 for the following reporting period as provided in Section 11265.2.

6 (e) ~~During the quarterly reporting period, a recipient may request~~
7 ~~that the county discontinue the recipient's entire assistance unit or~~
8 ~~any individual member of the assistance unit who is no longer in~~
9 ~~the home or is an optional member of the assistance unit. If the~~
10 ~~recipient's request was verbal, the county shall provide a 10-day~~
11 ~~notice before discontinuing benefits. If the recipient's report was~~
12 ~~in writing, the county shall discontinue benefits effective the end~~
13 ~~of the month in which the request is made, and simultaneously~~
14 ~~issue a notice informing the recipient of the discontinuance.~~

15 (f) ~~The department, in consultation with the County Welfare~~
16 ~~Directors Association (CWDA), shall report to the relevant policy~~
17 ~~and fiscal committees of the Legislature in April 2005 regarding~~
18 ~~the effects upon program efficiency and integrity of implementation~~
19 ~~of the midquarter reporting requirement set forth in subdivision~~
20 ~~(a). The report shall be based on data collected by CWDA and~~
21 ~~select counties. The department, in consultation with CWDA, shall~~
22 ~~determine the data collection needs required to assess the effects~~
23 ~~of the specified midquarter report.~~

24 SEC. 12. Section 11265.3 is added to the Welfare and
25 Institutions Code, to read:

26 11265.3. (a) In addition to submitting the semiannual report
27 form as required in Section 11265.1, the department shall establish
28 an income reporting threshold for recipients of CalWORKs.

29 (b) The CalWORKs income reporting threshold shall be the
30 lesser of the following:

31 (1) One-half of the monthly income for a family of four at the
32 federal poverty level, plus the amount of income last used to
33 calculate the recipient's monthly benefits.

34 (2) The amount likely to render the recipient ineligible for
35 federal food stamp benefits.

36 (c) A recipient shall report to the county orally or in writing,
37 within 10 days, when any of the following occurs:

38 (1) The monthly household income exceeds the threshold
39 established pursuant to this section.

40 (2) The household address has changed.

1 (3) A drug felony conviction, as specified in Section 11251.3.

2 (4) An incidence of an individual fleeing prosecution or custody
3 or confinement, or violating a condition of probation or parole, as
4 specified in Section 11486.5.

5 (d) At least once per semiannual reporting period, counties shall
6 inform each recipient of all of the following:

7 (1) The duty to report under this section.

8 (2) The consequences of failing to report.

9 (3) The amount of the recipient's income reporting threshold.

10 (e) When a recipient reports income exceeding the reporting
11 threshold, the county shall redetermine eligibility and grant
12 amounts as follows:

13 (1) If the recipient reports the increase in income for the first
14 through fifth months of a current semiannual reporting period, the
15 county shall verify the report and determine the recipient's financial
16 eligibility and grant amount.

17 (A) If the recipient is determined to be financially ineligible
18 based on the increase in income, the county shall discontinue the
19 recipient with timely and adequate notice, effective at the end of
20 the month in which the income was received.

21 (B) If it is determined that the recipient's grant amount should
22 decrease based on the increase in income, the county shall reduce
23 the recipient's grant amount for the remainder of the semiannual
24 reporting period with timely and adequate notice, effective the
25 first of the month following the month in which the income was
26 received.

27 (2) If the recipient reports an increase in income for the sixth
28 month of a current semiannual reporting period, the county shall
29 not redetermine eligibility for the current semiannual reporting
30 period, but shall consider this income in redetermining eligibility
31 and grant amount for the following semiannual reporting period,
32 as provided in Section 11265.2.

33 (f) Counties shall act upon changes in income voluntarily
34 reported during the semiannual reporting period that result in an
35 increase in benefits, only after verification specified by the
36 department is received. Reported changes in income that increase
37 the grants shall be effective for the entire month in which the
38 change is reported. If the reported change in income results in an
39 increase in benefits, the county shall issue the increased benefit
40 amount within 10 days of receiving required verification.

(g) (1) When a decrease in gross monthly income is voluntarily reported and verified, the county shall redetermine the grant for the current month and any remaining months in the semiannual reporting period by averaging the actual gross monthly income reported and verified from the voluntary report for the current month and the gross monthly income that is reasonably anticipated for any future month remaining in the semiannual reporting period.

(2) When the average is determined pursuant to paragraph (1), and a grant amount is calculated based upon the averaged income, if the grant amount is higher than the grant currently in effect, the county shall revise the grant for the current month and any remaining months in the semiannual reporting period to the higher amount and shall issue any increased benefit amount as provided in subdivision (f).

(h) During the semiannual reporting period, a recipient may report to the county, orally or in writing, any changes in income and household circumstances that may increase the recipient's grant. Except as provided in subdivision (i), counties shall act only upon changes in household composition voluntarily reported by the recipients during the semiannual reporting period that result in an increase in benefits, after verification specified by the department is received. If the reported change in household composition is for the first through fifth month of the semiannual reporting period and results in an increase in benefits, the county shall redetermine the grant effective for the month following the month in which the change was reported. If the reported change in household composition is for the sixth month of a semiannual reporting period, the county shall not redetermine the grant for the current semiannual reporting period, but shall redetermine the grant for the following reporting period as provided in Section 11265.2.

(i) During the semiannual reporting period, a recipient may request that the county discontinue the recipient's entire assistance unit or any individual member of the assistance unit who is no longer in the home or is an optional member of the assistance unit. If the recipient's request was verbal, the county shall provide a 10-day notice before discontinuing benefits. If the recipient's report was in writing, the county shall discontinue benefits effective the end of the month in which the request is made, and simultaneously issue a notice informing the recipient of the discontinuance.

SEC. 13. Section 11450 of the Welfare and Institutions Code is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter 3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, and notwithstanding the minimum basic standards of adequate care specified in Section 11452, the family's income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1, ~~averaged determined for the prospective quarter~~ *prospective semiannual period* pursuant to Sections 11265.2 and 11265.3, and then calculated pursuant to Section 11451.5, shall be deducted from the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2). In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2), plus any special needs, as specified in subdivisions (c), (e), and (f):

Number of eligible needy persons in the same home	Maximum aid
1.....	\$ 326
2.....	535
3.....	663
4.....	788
5.....	899
6.....	1,010
7.....	1,109
8.....	1,209
9.....	1,306
10 or more.....	1,403

If, when, and during those times that the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on

1 July 1, 1972, the amounts specified in the above table shall be
2 increased or decreased by an amount equal to that increase or
3 decrease by the United States government, provided that no
4 increase or decrease shall be subject to subsequent adjustment
5 pursuant to Section 11453.

6 (2) The sums specified in paragraph (1) shall not be adjusted
7 for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94,
8 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through
9 October 31, 1998, nor shall that amount be included in the base
10 for calculating any cost-of-living increases for any fiscal year
11 thereafter. Elimination of the cost-of-living adjustment pursuant
12 to this paragraph shall satisfy the requirements of Section 11453.05,
13 and no further reduction shall be made pursuant to that section.

14 (b) When the family does not include a needy child qualified
15 for aid under this chapter, aid shall be paid to a pregnant mother
16 for the month in which the birth is anticipated and for the
17 three-month period immediately prior to the month in which the
18 birth is anticipated in the amount that would otherwise be paid to
19 one person, as specified in subdivision (a), if the mother, and child,
20 if born, would have qualified for aid under this chapter. Verification
21 of pregnancy shall be required as a condition of eligibility for aid
22 under this subdivision. Aid shall also be paid to a pregnant woman
23 with no other children in the amount which would otherwise be
24 paid to one person under subdivision (a) at any time after
25 verification of pregnancy if the pregnant woman is also eligible
26 for the Cal-Learn Program described in Article 3.5 (commencing
27 with Section 11331) and if the mother, and child, if born, would
28 have qualified for aid under this chapter.

29 (c) The amount of forty-seven dollars (\$47) per month shall be
30 paid to pregnant mothers qualified for aid under subdivision (a)
31 or (b) to meet special needs resulting from pregnancy if the mother,
32 and child, if born, would have qualified for aid under this chapter.
33 County welfare departments shall refer all recipients of aid under
34 this subdivision to a local provider of the Women, Infants and
35 Children program. If that payment to pregnant mothers qualified
36 for aid under subdivision (a) is considered income under federal
37 law in the first five months of pregnancy, payments under this
38 subdivision shall not apply to persons eligible under subdivision
39 (a), except for the month in which birth is anticipated and for the
40 three-month period immediately prior to the month in which

1 delivery is anticipated, if the mother, and the child, if born, would
2 have qualified for aid under this chapter.

3 (d) For children receiving AFDC-FC under this chapter, there
4 shall be paid, exclusive of any amount considered exempt as
5 income, an amount of aid each month which, when added to the
6 child's income, is equal to the rate specified in Section 11460,
7 11461, 11462, 11462.1, or 11463. In addition, the child shall be
8 eligible for special needs, as specified in departmental regulations.

9 (e) In addition to the amounts payable under subdivision (a)
10 and Section 11453.1, a family shall be entitled to receive an
11 allowance for recurring special needs not common to a majority
12 of recipients. These recurring special needs shall include, but not
13 be limited to, special diets upon the recommendation of a physician
14 for circumstances other than pregnancy, and unusual costs of
15 transportation, laundry, housekeeping services, telephone, and
16 utilities. The recurring special needs allowance for each family
17 per month shall not exceed that amount resulting from multiplying
18 the sum of ten dollars (\$10) by the number of recipients in the
19 family who are eligible for assistance.

20 (f) After a family has used all available liquid resources, both
21 exempt and nonexempt, in excess of one hundred dollars (\$100),
22 with the exception of funds deposited in a restricted account
23 described in subdivision (a) of Section 11155.2, the family shall
24 also be entitled to receive an allowance for nonrecurring special
25 needs.

26 (1) An allowance for nonrecurring special needs shall be granted
27 for replacement of clothing and household equipment and for
28 emergency housing needs other than those needs addressed by
29 paragraph (2). These needs shall be caused by sudden and unusual
30 circumstances beyond the control of the needy family. The
31 department shall establish the allowance for each of the
32 nonrecurring special need items. The sum of all nonrecurring
33 special needs provided by this subdivision shall not exceed six
34 hundred dollars (\$600) per event.

35 (2) Homeless assistance is available to a homeless family
36 seeking shelter when the family is eligible for aid under this
37 chapter. Homeless assistance for temporary shelter is also available
38 to homeless families which are apparently eligible for aid under
39 this chapter. Apparent eligibility exists when evidence presented
40 by the applicant, or which is otherwise available to the county

1 welfare department, and the information provided on the
2 application documents indicate that there would be eligibility for
3 aid under this chapter if the evidence and information were verified.
4 However, an alien applicant who does not provide verification of
5 his or her eligible alien status, or a woman with no eligible children
6 who does not provide medical verification of pregnancy, is not
7 apparently eligible for purposes of this section.

8 A family is considered homeless, for the purpose of this section,
9 when the family lacks a fixed and regular nighttime residence; or
10 the family has a primary nighttime residence that is a supervised
11 publicly or privately operated shelter designed to provide temporary
12 living accommodations; or the family is residing in a public or
13 private place not designed for, or ordinarily used as, a regular
14 sleeping accommodation for human beings. A family is also
15 considered homeless for the purpose of this section if the family
16 has received a notice to pay rent or quit. The family shall
17 demonstrate that the eviction is the result of a verified financial
18 hardship as a result of extraordinary circumstances beyond their
19 control, and not other lease or rental violations, and that the family
20 is experiencing a financial crisis that could result in homelessness
21 if preventative assistance is not provided.

22 (A) (i) A nonrecurring special need of sixty-five dollars (\$65)
23 a day shall be available to families of up to four members for the
24 costs of temporary shelter, subject to the requirements of this
25 paragraph. The fifth and additional members of the family shall
26 each receive fifteen dollars (\$15) per day, up to a daily maximum
27 of one hundred twenty-five dollars (\$125). County welfare
28 departments may increase the daily amount available for temporary
29 shelter as necessary to secure the additional bedspace needed by
30 the family.

31 (ii) This special need shall be granted or denied immediately
32 upon the family's application for homeless assistance, and benefits
33 shall be available for up to three working days. The county welfare
34 department shall verify the family's homelessness within the first
35 three working days and if the family meets the criteria of
36 questionable homelessness established by the department, the
37 county welfare department shall refer the family to its early fraud
38 prevention and detection unit, if the county has such a unit, for
39 assistance in the verification of homelessness within this period.

1 (iii) After homelessness has been verified, the three-day limit
2 shall be extended for a period of time which, when added to the
3 initial benefits provided, does not exceed a total of 16 calendar
4 days. This extension of benefits shall be done in increments of one
5 week and shall be based upon searching for permanent housing
6 which shall be documented on a housing search form; good cause;
7 or other circumstances defined by the department. Documentation
8 of a housing search shall be required for the initial extension of
9 benefits beyond the three-day limit and on a weekly basis thereafter
10 as long as the family is receiving temporary shelter benefits. Good
11 cause shall include, but is not limited to, situations in which the
12 county welfare department has determined that the family, to the
13 extent it is capable, has made a good faith but unsuccessful effort
14 to secure permanent housing while receiving temporary shelter
15 benefits.

16 (B) A nonrecurring special need for permanent housing
17 assistance is available to pay for last month's rent and security
18 deposits when these payments are reasonable conditions of securing
19 a residence, or to pay for up to two months of rent arrearages, when
20 these payments are a reasonable condition of preventing eviction.

21 The last month's rent or monthly arrearage portion of the
22 payment (i) shall not exceed 80 percent of the family's total
23 monthly household income without the value of food stamps or
24 special needs for a family of that size and (ii) shall only be made
25 to families that have found permanent housing costing no more
26 than 80 percent of the family's total monthly household income
27 without the value of food stamps or special needs for a family of
28 that size.

29 However, if the county welfare department determines that a
30 family intends to reside with individuals who will be sharing
31 housing costs, the county welfare department shall, in appropriate
32 circumstances, set aside the condition specified in clause (ii) of
33 the preceding paragraph.

34 (C) The nonrecurring special need for permanent housing
35 assistance is also available to cover the standard costs of deposits
36 for utilities which are necessary for the health and safety of the
37 family.

38 (D) A payment for or denial of permanent housing assistance
39 shall be issued no later than one working day from the time that a
40 family presents evidence of the availability of permanent housing.

1 If an applicant family provides evidence of the availability of
2 permanent housing before the county welfare department has
3 established eligibility for aid under this chapter, the county welfare
4 department shall complete the eligibility determination so that the
5 denial of or payment for permanent housing assistance is issued
6 within one working day from the submission of evidence of the
7 availability of permanent housing, unless the family has failed to
8 provide all of the verification necessary to establish eligibility for
9 aid under this chapter.

10 (E) (i) Except as provided in clauses (ii) and (iii), eligibility
11 for the temporary shelter assistance and the permanent housing
12 assistance pursuant to this paragraph shall be limited to one period
13 of up to 16 consecutive calendar days of temporary assistance and
14 one payment of permanent assistance. Any family that includes a
15 parent or nonparent caretaker relative living in the home who has
16 previously received temporary or permanent homeless assistance
17 at any time on behalf of an eligible child shall not be eligible for
18 further homeless assistance. Any person who applies for homeless
19 assistance benefits shall be informed that the temporary shelter
20 benefit of up to 16 consecutive days is available only once in a
21 lifetime, with certain exceptions, and that a break in the consecutive
22 use of the benefit constitutes permanent exhaustion of the
23 temporary benefit.

24 (ii) A family that becomes homeless as a direct and primary
25 result of a state or federally declared natural disaster shall be
26 eligible for temporary and permanent homeless assistance.

27 (iii) A family shall be eligible for temporary and permanent
28 homeless assistance when homelessness is a direct result of
29 domestic violence by a spouse, partner, or roommate; physical or
30 mental illness that is medically verified that shall not include a
31 diagnosis of alcoholism, drug addiction, or psychological stress;
32 or, the uninhabitability of the former residence caused by sudden
33 and unusual circumstances beyond the control of the family
34 including natural catastrophe, fire, or condemnation. These
35 circumstances shall be verified by a third-party governmental or
36 private health and human services agency, except that domestic
37 violence may also be verified by a sworn statement by the victim,
38 as provided under Section 11495.25. Homeless assistance payments
39 based on these specific circumstances may not be received more
40 often than once in any 12-month period. In addition, if the domestic

1 violence is verified by a sworn statement by the victim, the
2 homeless assistance payments shall be limited to two periods of
3 not more than 16 consecutive calendar days of temporary assistance
4 and two payments of permanent assistance. A county may require
5 that a recipient of homeless assistance benefits who qualifies under
6 this paragraph for a second time in a 24-month period participate
7 in a homelessness avoidance case plan as a condition of eligibility
8 for homeless assistance benefits. The county welfare department
9 shall immediately inform recipients who verify domestic violence
10 by a sworn statement pursuant to clause (iii) of the availability of
11 domestic violence counseling and services, and refer those
12 recipients to services upon request.

13 (iv) If a county requires a recipient who verifies domestic
14 violence by a sworn statement to participate in a homelessness
15 avoidance case plan pursuant to clause (iii), the plan shall include
16 the provision of domestic violence services, if appropriate.

17 (v) If a recipient seeking homeless assistance based on domestic
18 violence pursuant to clause (iii) has previously received homeless
19 avoidance services based on domestic violence, the county shall
20 review whether services were offered to the recipient and consider
21 what additional services would assist the recipient in leaving the
22 domestic violence situation.

23 (vi) The county welfare department shall report to the
24 department through a statewide homeless assistance payment
25 indicator system, necessary data, as requested by the department,
26 regarding all recipients of aid under this paragraph.

27 (F) The county welfare departments, and all other entities
28 participating in the costs of the AFDC program, have the right in
29 their share to any refunds resulting from payment of the permanent
30 housing. However, if an emergency requires the family to move
31 within the 12-month period specified in subparagraph (E), the
32 family shall be allowed to use any refunds received from its
33 deposits to meet the costs of moving to another residence.

34 (G) Payments to providers for temporary shelter and permanent
35 housing and utilities shall be made on behalf of families requesting
36 these payments.

37 (H) The daily amount for the temporary shelter special need for
38 homeless assistance may be increased if authorized by the current
39 year's Budget Act by specifying a different daily allowance and
40 appropriating the funds therefor.

1 (I) No payment shall be made pursuant to this paragraph unless
2 the provider of housing is a commercial establishment, shelter, or
3 person in the business of renting properties who has a history of
4 renting properties.

5 (g) The department shall establish rules and regulations ensuring
6 the uniform application statewide of this subdivision.

7 (h) The department shall notify all applicants and recipients of
8 aid through the standardized application form that these benefits
9 are available and shall provide an opportunity for recipients to
10 apply for the funds quickly and efficiently.

11 (i) Except for the purposes of Section 15200, the amounts
12 payable to recipients pursuant to Section 11453.1 shall not
13 constitute part of the payment schedule set forth in subdivision
14 (a).

15 The amounts payable to recipients pursuant to Section 11453.1
16 shall not constitute income to recipients of aid under this section.

17 (j) For children receiving Kin-GAP pursuant to Article 4.5
18 (commencing with Section 11360) of Chapter 2, there shall be
19 paid, exclusive of any amount considered exempt as income, an
20 amount of aid each month, which, when added to the child's
21 income, is equal to the rate specified in Section 11364.

22 SEC. 14. Section 11450.12 of the Welfare and Institutions
23 Code, as amended by Section 39 of Chapter 1022 of the Statutes
24 of 2002, is amended to read:

25 11450.12. (a) An applicant family shall not be eligible for aid
26 under this chapter unless the family's income, exclusive of the
27 first ninety dollars (\$90) of earned income for each employed
28 person, is less than the minimum basic standard of adequate care,
29 as specified in Section 11452.

30 (b) A recipient family shall not be eligible for further aid under
31 this chapter if ~~reasonably anticipated income, less exempt income,~~
32 ~~averaged over the quarter~~ *the monthly income determined for the*
33 *semiannual period* pursuant to Sections 11265.2 and 11265.3, *less*
34 *exempt income* and exclusive of amounts exempt under Section
35 11451.5, equals or exceeds the maximum aid payment specified
36 in Section 11450.

37 SEC. 15. Section 11450.13 of the Welfare and Institutions
38 Code, as amended by Section 40 of Chapter 1022 of the Statutes
39 of 2002, is amended to read:

1 11450.13. In calculating the amount of aid to which an
2 assistance unit is entitled in accordance with Section 11320.15,
3 the maximum aid payment, adjusted to reflect the removal of the
4 adult or adults from the assistance unit, shall be reduced by the
5 gross *monthly* income of the adult or adults removed from the
6 assistance unit, ~~averaged over the quarter determined for the~~
7 *semiannual period* pursuant to Sections 11265.2 and 11265.3, and
8 less any amounts exempted pursuant to Section 11451.5. Aid may
9 be provided in the form of cash or vouchers, at the option of the
10 county.

11 SEC. 16. Section 11451.5 of the Welfare and Institutions Code,
12 as amended by Section 329 of Chapter 62 of the Statutes of 2003,
13 is amended to read:

14 11451.5. (a) Except as provided by subdivision (f) of Section
15 11322.6, the following income, ~~averaged over the quarter~~
16 *determined for the semiannual period* pursuant to Sections 11265.2
17 and 11265.3, shall be exempt from the calculation of the income
18 of the family for purposes of subdivision (a) of Section 11450:

19 (1) If disability-based unearned income does not exceed two
20 hundred twenty-five dollars (\$225), both of the following amounts:

21 (A) All disability-based unearned income plus any amount of
22 not otherwise exempt earned income equal to the amount of the
23 difference between the amount of disability-based unearned income
24 and two hundred twenty-five dollars (\$225).

25 (B) Fifty percent of all not otherwise exempt earned income in
26 excess of the amount applied to meet the differential applied in
27 subparagraph (A).

28 (2) If disability-based unearned income exceeds two hundred
29 twenty-five dollars (\$225), both of the following amounts:

30 (A) All of the first two hundred twenty-five dollars (\$225) in
31 disability-based unearned income.

32 (B) Fifty percent of all earned income.

33 (b) For purposes of this section:

34 (1) Earned income means gross income received as wages,
35 salary, employer provided sick leave benefits, commissions, or
36 profits from activities such as a business enterprise or farming in
37 which the recipient is engaged as a self-employed individual or as
38 an employee.

39 (2) Disability-based unearned income means state disability
40 insurance benefits, private disability insurance benefits, temporary

workers' compensation benefits, and social security disability benefits.

(3) Unearned income means any income not described in paragraph (1) or (2).

SEC. 17. Section 18900.11 is added to the Welfare and Institutions Code, to read:

18900.11. (a) To the extent permitted by federal law, the department shall streamline the Food Stamp Program verification process at application by seeking to utilize information provided by applicants to other state agencies, including, but not limited to, the Department of Motor Vehicles.

(b) The department shall seek to design this process with the goal of reducing the burdens county administrators face in verifying elements of the food stamp application, including, but not limited to, identity, citizenship status, place of residence, and social security number, where another state entity can more efficiently provide the verification required by federal law.

(c) The department shall design this system with an additional goal of providing additional protection against duplicate aid fraud. The department may use the verification information provided by other state departments, including driver's license numbers, as an additional tool in identifying duplicate aid.

SEC. 18. Section 18910 of the Welfare and Institutions Code is repealed.

~~18910. (a) To the extent permitted by federal law, regulations, waivers, and directives, the department shall implement the prospective budgeting, quarterly reporting system provided in Sections 11265.1, 11265.2, and 11265.3, and related provisions regarding the Food Stamp Program, in a cost-effective manner that promotes compatibility between the CalWORKs program and the Food Stamp Program, and minimizes the potential for payment errors.~~

~~(b) The department shall seek all necessary waivers from the United States Department of Agriculture to implement subdivision (a).~~

SEC. 19. Section 18910 is added to the Welfare and Institutions Code, to read:

18910. (a) To the extent permitted by the federal Food Stamp Act, including Section 2015(c) of Title 7 of the United States Code, implementing regulations, and any waivers obtained by the

1 department pursuant to subdivision (g) of Section 11265.2, the
2 department shall implement a prospective budgeting, semiannual
3 reporting system for recipients of food stamps.

4 (1) Food stamp households that also receive CalWORKs benefits
5 shall be subject to the CalWORKs semiannual reporting procedures
6 established in Sections 11265.1, 11265.2, and 11265.3.

7 (2) Food stamp households not receiving CalWORKs shall not
8 be required to report within the semiannual reporting period unless
9 specifically required by federal food stamp law. Otherwise, food
10 stamp households not receiving CalWORKs shall be subject to
11 semiannual reporting procedures established in Sections 11265.1,
12 11265.2, and 11265.3, excluding the CalWORKs income reporting
13 threshold and any provisions not permitted under federal food
14 stamp law, regulation, or waivers obtained by the department
15 pursuant to subdivision (g) of Section 11265.2.

16 (b) For recipients of food stamps who also are Medi-Cal
17 beneficiaries and who are subject to the Medi-Cal midyear status
18 reporting requirements, counties shall seek to align the timing of
19 reports required under this section with midyear status reports
20 required by the Medi-Cal program.

21 (c) The requirements of subdivisions (h) and (i) of Section
22 11265.1 and subdivision (g) of Section 11265.2 shall apply to the
23 implementation of this section.

24 (d) The department shall seek all necessary waivers from the
25 United States Department of Agriculture to implement this section.

26 (e) Counties may establish staggered, semiannual reporting
27 cycles for individual recipients, based on factors established or
28 approved by the department, including, but not limited to,
29 application date or case number. If the county elects to stagger the
30 reporting periods for individual recipients, this section shall apply
31 to an individual recipient on the first day of the month assigned to
32 the recipient, but in no event later than July 1, 2011. Up to and
33 until the establishment of the semiannual reporting system, counties
34 shall operate a quarterly system, as established by law and
35 regulation applicable immediately prior to the establishment of
36 the semiannual reporting system.

37 SEC. 20. (a) Except as to the addition of Section 18900.11 to
38 the Welfare and Institutions Code, the changes made to the Welfare
39 and Institutions Code by this act shall become operative in a county
40 on the date that the county implements the semiannual reporting

1 provisions referred to in those sections. A county may implement
2 the semiannual reporting provisions as early as July 1, 2011, but
3 in no event later than January 1, 2012.

4 (b) Notwithstanding subdivision (a), if a county elects to stagger
5 the reporting periods for individuals pursuant to subdivision (h)
6 of Section 11265.1 of the Welfare and Institutions Code or
7 subdivision (e) of Section 18910 of the Welfare and Institutions
8 Code, as added by this act, this act shall apply to an individual
9 recipient on the first day of the month assigned to that recipient,
10 but in no event later than July 1, 2012.

11 SEC. 21. (a) Notwithstanding Chapter 3.5 (commencing with
12 Section 11340) of Part 1 of Division 3 of Title 2 of the Government
13 Code, until emergency regulations are filed with the Secretary of
14 State, the State Department of Social Services may implement the
15 changes made by this act through all-county letters or similar
16 instructions from the director. The department shall adopt
17 emergency regulations, as necessary to implement those changes
18 no later than January 1, 2012.

19 (b) The adoption of regulations pursuant to subdivision (a) shall
20 be deemed to be an emergency and necessary for the immediate
21 preservation of the public peace, health, safety, or general welfare.
22 The emergency regulations authorized by this section shall be
23 exempt from review by the Office of Administrative Law. The
24 emergency regulations authorized by this section shall be submitted
25 to the Office of Administrative Law for filing with the Secretary
26 of State and shall remain in effect for no more than 180 days, by
27 which time final regulations shall be adopted.

28 SEC. 22. No appropriation pursuant to Section 15200 of the
29 Welfare and Institutions Code shall be made for purposes of this
30 act.

31 SEC. 23. If the Commission on State Mandates determines
32 that this act contains costs mandated by the state, reimbursement
33 to local agencies and school districts for those costs shall be made
34 pursuant to Part 7 (commencing with Section 17500) of Division
35 4 of Title 2 of the Government Code.

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